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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: ENTREPRENEURSHIP

Report of the Second Committee (Part XI)*

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I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 91 (see A/48/717, para. 2). Action to be taken on sub-item (i) was considered at the 42nd and 48th meetings, on 29 November and 13 December 1993. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/48/SR.42 and 48).

II. CONSIDERATION OF DRAFT RESOLUTION A/C.2/48/L.34 AND Rev.1

2. At the 42nd meeting, on 29 November, the representative of the United States of America, on behalf of Argentina, Belarus, the Czech Republic, El Salvador, Estonia, Germany, Israel, Japan, Kazakhstan, the Marshall Islands, Poland, the Republic of Korea, Romania, the Russian Federation, Slovakia, Thailand, Ukraine and the United States of America, joined by Benin, Iceland, Lithuania, Mongolia, Morocco and the former Yugoslav Republic of Macedonia, introduced a draft resolution, entitled "Entrepreneurship and privatization for economic growth and sustainable development" (A/C.2/48/L.34), which read as follows:

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* The report of the Committee on this agenda item will be issued in several parts under the symbol A/48/717 and addenda.

"The General Assembly,

"Recalling its resolutions 44/221, 45/98, 45/188, 46/166 and 47/181, 47/171, and 47/191 of 22 December 1992,

"Taking note of Agenda 21 1/ and the Cartagena Commitment, 2/

"Taking note with appreciation of the report of the Secretary-General on entrepreneurship and national development, 3/

"Noting chapter VII of the World Economic Survey, 1993, 4/

"Recognizing the importance of the market and the private sector for the efficient functioning of economies in all stages of development,

"Recognizing the sovereign right of each State to decide on the development of its private and public sectors, taking into account the comparative advantages of each sector,

"Recalling Agenda 21 1/ and the other outcomes of the United Nations Conference on Environment and Development, which acknowledged broad participation in decision-making as a fundamental prerequisite for the achievement of sustainable development,

"Acknowledging that entrepreneurship is a means by which participation of individuals in economic growth and sustainable development may be effectively enhanced,

"Noting that many countries continue to attach major importance to the privatization of enterprises, demonopolization and administrative deregulation in the context of their economic restructuring policies,

"Recognizing the important role of Governments in creating, through transparent and participatory processes, the enabling environment supportive of entrepreneurship and facilitative of privatization, in particular the establishment of the judicial, executive, and legislative frameworks necessary for a market-based exchange of goods and services and

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1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (United Nations publication, Sales No. E.93.I.8 and corrigendum, vol. I: Resolutions adopted by the Conference, resolution 1, annex II.

2/ TD/364, part one, sect. A, "A New Partnership for Development: The Cartagena Commitment", adopted by the United Nations Conference on Trade and Development at its eighth session, held at Cartagena de Indias, Colombia, from 8 to 25 February 1992.

3/ A/48/472.

4/ United Nations publication, Sales No. E.93.C.1.

for good management, as described in paragraphs 27 and 28 of the Cartagena Commitment,

"Noting the difficulties that countries encounter in promoting entrepreneurship and in implementing privatization programmes due to lack of appropriate experience and technical capacities in those areas,

"Welcoming the activities that have been undertaken by United Nations organs, organizations and programmes and by the specialized agencies of the United Nations system in supporting national efforts aimed at creating enabling environments for entrepreneurship and for the implementation of privatization programmes,

"Recalling with satisfaction the active collaboration between the United Nations system and private-sector associations, such as the ongoing efforts of the United Nations Development Programme with the International Chamber of Commerce, the Business Council for Sustainable Development, and the Chamber of Commerce and Industry of the Group of 77,

"Mindful of Secretariat resource constraints and therefore the need to rationalize related agenda items and reporting requests,

"1. Invites Member States to enhance the exchange of information among themselves and all relevant organs, organizations and bodies of the United Nations system on activities, programmes and experiences of Member States and the United Nations system concerning entrepreneurship, privatization, demonopolization, and administrative deregulation in order to increase the efficiency and effectiveness of technical assistance cooperation in this field;

"2. Requests the Secretary-General to give high priority to and to strengthen, within existing resources, the activities of the United Nations system related to the promotion of entrepreneurship and related to the implementation of privatization programmes, demonopolization, and administrative deregulation, through, inter alia, better coordination;

"3. Calls upon the relevant organs, organizations, and specialized agencies of the United Nations system, according to their mandates, to develop and to, upon request, increase technical assistance and to incorporate in their respective programming and activities specific objectives that will:

"(a) Facilitate the creation of enabling environments for the establishment and growth of small and medium-sized enterprises and for the support of local entrepreneurs;

"(b) Facilitate the design and implementation of privatization, demonopolization, and administrative deregulation policies;

"(c) Assist relevant national institutions in developing the capacities to issue appropriate policy, legal, regulatory and fiscal frameworks and incentives to promote entrepreneurship and to design and

implement privatization, demonopolization, and administrative deregulation policies;

"4. Encourages the relevant organs, organizations and bodies of the United Nations system in pursuing these activities to foster active partnerships between public entities and private entities, taking into account the self-organizing capacities of entrepreneurs, through, for example:

"(a) Mechanisms for discussions and consultations by relevant parties as to the appropriate ways to enhance the environment for entrepreneurship, privatization, demonopolization, and administrative deregulation;

"(b) National and, where appropriate, regional workshops to review and disseminate experience and lessons learned locally and internationally on the promotion of entrepreneurship and on the implementation of privatization, demonopolization, and administrative deregulation;

"5. Requests the Secretary-General to prepare a biennial report, in consultation with the heads of relevant organs, organizations and programmes of the United Nations system, on policies and activities related to entrepreneurship and on policies and activities related to privatization, demonopolization, and administrative deregulation carried out by the Secretary-General and the relevant organs, organizations and programmes of the United Nations system, with reference to the UNCTAD Ad Hoc Working Group on Comparative Experiences with Privatization and the UNCTAD Intergovernmental Working Group on Restrictive Business Practices;

"6. Decides to review and appraise at its fiftieth session the activities related to the present resolution as a sub-item entitled 'Entrepreneurship and privatization for economic growth and sustainable development' under the agenda item 'Development and international economic cooperation'."

3. At the 48th meeting, on 13 December, the Committee had before it a revised draft resolution (A/C.2/48/L.34/Rev.1) submitted by the same sponsors, joined by Armenia, Australia, Austria, Belgium, Bulgaria, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Latvia, Liechtenstein, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, the Republic of Moldova, Singapore, Slovenia, Spain, Sweden, Tajikistan and the United Kingdom of Great Britain and Northern Ireland.

4. The representative of Cuba orally corrected the text by deleting in the first preambular paragraph the word "and" before "47/171" and adding at the end the words "and 47/199".

5. At the same meeting, the Committee adopted revised draft resolution A/C.2/48/L.34/rev.1 without a vote (see para. 6).

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

6. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Entrepreneurship and privatization for economic growth and sustainable development

The General Assembly,

Recalling its resolutions 45/98 of 14 December 1990, 45/188 of 21 December 1990, 46/166 of 19 December 1991, and 47/171 and 47/181, and 47/199 of 22 December 1992,

Taking note of Agenda 21, 5/ the Cartagena Commitment, 6/ the International Development Strategy for the Fourth United Nations Development Decade 7/ and the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, 8/

Taking note with appreciation of the report of the Secretary-General on entrepreneurship and national development, 9/

Taking note of chapter VII of the World Economic Survey, 1993, 10/

Taking into account the activities of the Ad Hoc Working Group on Comparative Experiences with Privatization and the Intergovernmental Working Group of Experts on Restrictive Business Practices of the United Nations Conference on Trade and Development,

Recognizing the importance of the market and the private sector for the efficient functioning of economies in various stages of development,

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5/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (United Nations publication, Sales No. E.93.I.8 and corrigendum), vol. I: Resolutions adopted by the Conference, resolution 1, annex II.

6/ TD/364, part one, sect. A, "A New Partnership for Development: The Cartagena Commitment", adopted by the United Nations Conference on Trade and Development at its eighth session, held at Cartagena de Indias, Colombia, from 8 to 25 February 1992.

7/ Resolution 45/199, annex.

8/ Resolution S-18/3, annex.

9/ A/48/472.

10/ United Nations publication, Sales No. E.93.C.1.

Recognizing the sovereign right of each State to decide on the development of its private and public sectors, taking into account the comparative advantages of each sector, bearing in mind the economic, social and cultural diversity in the world,

Acknowledging that broad participation by individuals and major groups in decision-making is a fundamental prerequisite for the achievement of economic growth and sustainable development, with entrepreneurship as an important element to that goal,

Noting that many countries continue to attach major importance to the privatization of enterprises, demonopolization and administrative deregulation in the context of their economic restructuring policies, as a means to increase efficiency, economic growth and sustainable development,

Recognizing the important role of Governments in creating, through transparent and participatory processes, the enabling environment supportive of entrepreneurship and facilitative of privatization, in particular the establishment of the judicial, executive and legislative frameworks necessary for a market-based exchange of goods and services and for good management, 11/

Emphasizing the importance of a supportive international economic environment, including investment and trading, for the promotion of entrepreneurship and privatization in all countries,

Noting the difficulties that countries encounter in promoting entrepreneurship and in implementing privatization programmes owing to lack of appropriate experience and technical capacities in those areas,

Welcoming the activities that have been and will be undertaken by United Nations organs, organizations and programmes of the United Nations system and by the specialized agencies for the benefit of recipient countries and in conformity with their own policies and priorities for development in supporting national efforts aimed at creating enabling environments for entrepreneurship and for the implementation of privatization programmes,

Recalling with satisfaction the active collaboration between the United Nations system and private-sector associations, such as the ongoing efforts of the United Nations Development Programme with the International Chamber of Commerce, the Business Council for Sustainable Development and the Chamber of Commerce and Industry of the Group of 77,

Mindful of resource constraints of the Secretariat and, therefore, of the need to rationalize related agenda items and reporting requests,

1. Invites interested Member States to enhance the exchange of information among themselves and all relevant organs, organizations and bodies of the United Nations system on activities, programmes and experiences of Member

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11/ As described in paras. 27 and 28 of the Cartagena Commitment.

States and the United Nations system concerning entrepreneurship, privatization, demonopolization and administrative deregulation, in order to increase the efficiency and effectiveness of technical cooperation in this field;

2. Requests the Secretary-General to strengthen, within existing resources and with due priority, the activities of the United Nations system related to the promotion of entrepreneurship and to the implementation of privatization programmes, demonopolization and administrative deregulation, through, inter alia, better coordination;

3. Calls upon the relevant organs, organizations and programmes of the United Nations system, according to their mandates, to develop and, upon request, to increase technical assistance and to incorporate in their respective programming and activities specific objectives that will:

(a) Facilitate, as appropriate, the creation of enabling environments for the establishment and growth of small and medium-size enterprises and for the support of local entrepreneurs;

(b) Facilitate, as appropriate, the design and implementation of privatization, demonopolization and administrative deregulation policies and assist relevant national institutions in developing the capacities to issue appropriate policy, legal, regulatory and fiscal frameworks and incentives to promote entrepreneurship;

4. Encourages the relevant organs, organizations and bodies of the United Nations system in pursuing those activities to foster active partnerships between public and private entities, taking into account the self-organizing capacities of entrepreneurs, through, for example:

(a) Mechanisms for discussions and consultations by relevant parties as to the appropriate ways to enhance the environment for entrepreneurship, privatization, demonopolization and administrative deregulation;

(b) Promoting initiatives, such as national and, where appropriate, regional workshops, to review and disseminate experience and lessons learned locally and internationally on the promotion of entrepreneurship and on the implementation of privatization, demonopolization and administrative deregulation;

5. Requests the Secretary-General to prepare a biennial report, in consultation with the heads of relevant organs, organizations and programmes of the United Nations system, on policies and activities related to entrepreneurship, privatization, demonopolization and administrative deregulation, clarifying the focus of their respective activities;

6. Decides to review and appraise at its fiftieth session the activities related to the present resolution under the agenda item entitled "Development and international economic cooperation: Entrepreneurship and privatization for economic growth and sustainable development".